

April 3, 1975

SENATOR CAVANAUGH: Mr. President, members of the Legislature, I would respond to Senator Lewis' comments if I had any idea about their relevancy to this issue. He took us all the way back to Sherman Adams to talk about an issue as to whether or not you are going to pay 2% more to borrow your own money on your cash value in an insurance policy. Now how you get that all together Senator Lewis is beyond me, and it has nothing to do with capital construction or the circumstances of the economy at large. It has to do with your relationship with your company and this bill is about either they no longer have to specify the rate of interest so that you are going to enter into a contract and know the rate of interest at which you can borrow your own money back on, which I think is unconscionable and as a matter of fact the committee statement is a little brief, and I might say rosy, with regards to the committee testimony. The committee statement says that the he appeared in an advisable capacity. But it neglects to inform the body as to what he advised them. He advised them that the bill should not delete the requirement for specified rate of interest, because the insurance policy is a specific instrument, it is a contract between two parties and it is a contract that requires the confidence and full knowledge of each party as to what they are entering into, and the specificity at which rate you can borrow your money back is very important. The insurance commissioner subsequently wrote me that fact. He testified to that fact before the committee, but the committee apparently found that advisory information of too little significance to report it to the legislature, or perhaps they found it detrimental to the majority position. I think that the issue has been fully explained. I don't think that there is any question, but that this is a company bill vs. the best interest of the policyholders of the state of Nebraska. I think that the policyholders should win and that the bill should be indefinitely postponed.

PRESIDENT: Question is should LB528 be indefinitely postponed. Record your vote. Have you voted? Record.

CLERK: 25 ayes, 9 nays.

PRESIDENT: The motion carries, the bill is indefinitely postponed.

CLERK: Mr. President, the next bill is 197 and Senator Hasebroock has asked to bracket the bill.

PRESIDENT: Objections? So ordered. The Speaker moves that we adjourn. All those in favor say aye, contrary say no. We are adjourned.